

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7388

BILL NUMBER: HB 1504

NOTE PREPARED: Jan 11, 2013

BILL AMENDED:

SUBJECT: Expenses of property tax appeals.

FIRST AUTHOR: Rep. Niemeyer

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a county may adopt an ordinance establishing a county property tax appeals defense fund for the purpose of paying expenses incurred by a county in litigating and resolving property tax disputes. It allows a county to adopt an ordinance authorizing the retention by the county of a percentage, not to exceed five percent, of the property taxes, penalties, and interest for which a taxpayer is determined to be liable after a property tax appeal is final or settled.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The county treasurer shall establish and administer the fund which would be self-supporting. As a result, the county will not experience any additional expenditures because of this bill.

Explanation of Local Revenues: The impact of this bill would depend on local action. For those counties that choose to retain up to five percent of the taxes and penalties for which the taxpayer is liable after the appeal is settled, the local taxing units (including the county) and school corporations would have to forgo the same percentage of their share of the amount due. The taxpayer would not be impacted by this bill.

Additional Information

This bill provides that the fiscal body of a county may adopt an ordinance establishing a county property tax appeals defense fund for the purpose of paying expenses incurred by a county in litigating and resolving property tax disputes. The fund would consist of up to five percent of the total amount of taxes, penalties, and interest for which a taxpayer be would liable after the taxpayer's appeal is settled, county appropriations, and interest from investing the money that is in the fund.

At the end of the current year, the least daily amount of money in the fund over the current year and the previous two years would be diverted to the county's general fund. This particular provision of the bill becomes effective in the fourth year of the fund.

State Agencies Affected:

Local Agencies Affected: Fiscal bodies of counties; Local taxing units; County treasurers

Information Sources:

Fiscal Analyst: David Lusan, 317-232-9592.